Market awakening to value of sustainability; Once derided, green concerns have become a driver for investment

The Toronto Star

March 27, 2021 Saturday

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Section: BUSINESS; Pg. B4

Length: 821 words

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Body

David Suzuki stared at the brick-sized cellphone in my hand saying he needed it for a call. We were on the Outer Banks of North Carolina filming for "The Nature of Things." It was 1993 and believe it or not, I'd rented the phone. He wanted it for an appointment to phone Al Gore, then vice-president of the United States.

"I got right through," Suzuki recalled this week on his 85th birthday. In 2000, Gore lost the presidential election to George W. Bush but then became a high-profile champion of the environment and alarm bell about climate change.

Amid the current rush of climate risk warnings and proposed solutions by global headliners, including Bill Gates, former central banker Mark Carney and Larry Fink (CEO of BlackRock, the world's largest asset manager), it's worth remembering those who were onto environmental issues earlier. Not only Gore, but Rachel Carson with her 1962 book on pesticides, "Silent Spring." Others, including Suzuki and the team at "The Nature of Things," came in subsequent decades.

In 1985, I interviewed Suzuki about a landmark series the unit produced, "A Planet for the Taking."The essence: That humans operated as though the Earth, its species and resources were ours for the taking, with no thought about the consequences for planetary life. Later, his documentary team addressed how economic analysis didn't account for environmental costs, so-called externalities. In many quarters, this was dismissed or was the object of ridicule.

Recently, however, Carney, who's the UN's special envoy on climate action and finance, as well as Boris Johnson's climate conference adviser, gave a series of thoughtful, eloquent BBC lectures about that very concept. He argued how things we truly value, like a healthy environment - haven't been priced by markets, a disconnect between value and values. It's the subject of his new book.

The question is: Why has it required global financial and business superstars like Carney and Gates to bring the sustainability discussion to this level? For starters, with melting ice caps, devastating fires and rising temperatures, undoubtedly there's concern the planet's environmental health is deteriorating. As well, with Greta Thunberg schooling the Davos class, there's a generational component. Meantime, leaders of companies and governments now have little choice but to face existential threats like pandemics. Who wants a climate calamity next?

The truth is, though, money talks. I'm certainly glad Gates and Carney are are involved and don't doubt their good intentions. Clearly, however, they symbolize a shift in capital flows. Climate risk is now viewed as investment risk. Take the world's richest sovereign wealth fund, Norway's Government Pension Fund Global. After amassing approximately $1.3 trillion (U.S.) thanks to the country's oil industry, in 2019 it began divesting itself of fossil fuel

companies. ESG (environmental, social and governance) policies are now the trend at publicly traded companies, including resource companies, as businesses and governments pledge net zero targets.

Not long ago, however, corporate criticism of the green movement was vicious. In the 1980s and 1990s, Suzuki et al were villainized by business as dangerous tree huggers, dire threats to the economic system - likely still are, by some. But it turns out they were on the right side of history as was Canada's Supreme Court this week saying global warming "poses a grave threat to the future of humanity."

Earlier environmental movements indeed focused on threat, whereas many businesses now aim where the investment puck is headed.

Look no further than Elon Musk. The auto industry is in makeover mode, with some 120 electric vehicles coming over the next few years. Volvo is going all electric by 2030. The cement industry, one of the largest emitters, is looking to new technologies. Novel, clean fuels are being tested to power airliners. In the parlance of our times, the business community is woke, sometimes with a nudge from their own employees.

Suzuki, though, isn't buying the ESG push. "That's all paper; it's a green cover." he said. "The economy (i.e., business) doesn't consider nature."

While he bemoans incrementalism, change obviously takes time. In 1991, I went to California for "Venture,"CBC's business magazine, to report on electric cars. The state mandated that two per cent of new vehicles sold in 1998 would be zero emission. In Palo Alto, we excitedly drove around in an electric-powered GM panel van. Unfortunately, it needed a battery platform weighing thousands of pounds. California didn't meet its deadline, but the fuse was lit.

Thirty years later, global economic power brokers are merging with a movement that began decades ago. And maybe there's cause for hope they're walking the walk. After all, cellphones aren't bricks anymore.

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Classification

Language: ENGLISH

Publication-Type: Newspaper

Journal Code: TTA

Subject: SUSTAINABLE DEVELOPMENT (90%); ENVIRONMENT & NATURAL RESOURCES (89%); CELEBRITIES (78%); GREEN FINANCE (78%); CLIMATE ACTION (77%); SOVEREIGN WEALTH FUNDS (77%); EXECUTIVES (76%); US PRESIDENTIAL CANDIDATES 2008 (76%); CLIMATE CHANGE (75%); POLLUTION & ENVIRONMENTAL IMPACTS (75%); GLACIERS & ICEBERGS (74%); CENTRAL BANKS (73%); ECONOMICS (73%); CAPITAL MOVEMENTS (72%); ELECTIONS (71%); CAMPAIGNS & ELECTIONS (70%); UNITED NATIONS (69%); PENSION FUNDS (68%); DOCUMENTARY FILMS (64%); CONFERENCES & CONVENTIONS (62%)

Industry: SUSTAINABLE DEVELOPMENT (90%); BANKING & FINANCE (78%); CELEBRITIES (78%); GREEN FINANCE (78%); MOBILE & CELLULAR TELEPHONES (78%); SOVEREIGN WEALTH FUNDS (77%); CENTRAL BANKS (73%); PENSION FUNDS (68%); DOCUMENTARY FILMS (64%)

Person: GRETA THUNBERG (77%); AL GORE (76%); GEORGE W BUSH (56%); LAURENCE D FINK (53%)

Geographic: EARTH (79%); NORTH CAROLINA, USA (79%); UNITED STATES (79%)

Load-Date: March 27, 2021

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